

# Ubuntu Municipality



*menswaardigheid • hoop • erfenis  
ubuntu • ithemba • izithethe  
humanity • hope • heritage*

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## INTRODUCTION

### 1.1. The municipal vision

Ubuntu Local Municipality adopted in the year 2015/2016 the following vision to inform its activities:

“We Ubuntu Municipality commit ourselves to be developmental and economically viable to ensure a better  
Life for all”

### 1.2. Legislative framework

Chapter 1 of the MFMA defines the SDBIP as a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget which must include the following:

- (i) Projections for each month:
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (ii) Service delivery targets and performance for each quarter.

In terms of the National Treasury's Circular No. 13, the SDBIP must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation. It specifically requires the SDBIP to include:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Information for expenditure and delivery; and a
- Detailed capital works plan.

In terms of sections 69(3)(a) and (b) of the MFMA, the accounting officer of a municipality must submit to the mayor within 14 days after the approval of an annual budget, a draft SDBIP for the budget year and drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers.

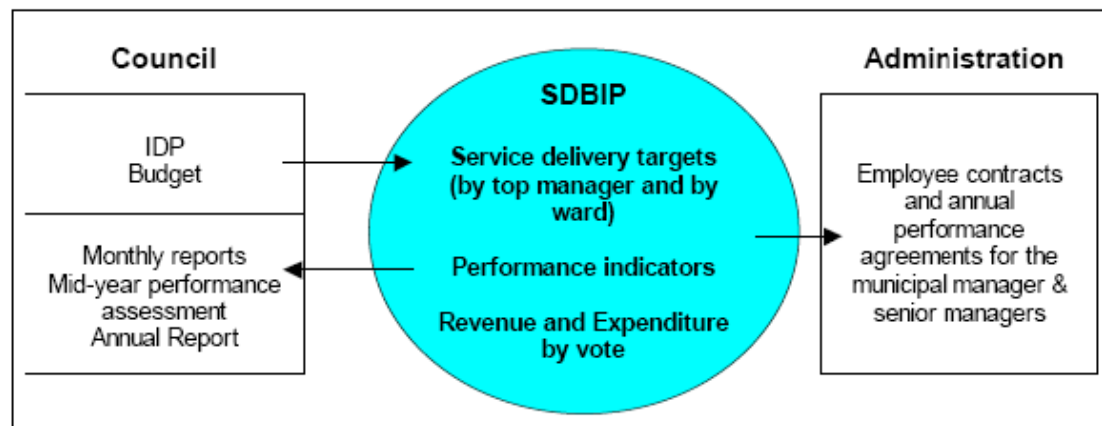
Furthermore, according to section 53(1)(c)(ii) and (iii) of the MFMA, the mayor is expected to approve the SDBIP within 28 days after the approval of the budget.

### 1.3. Overview

The SDBIP provides the vital link between the mayor, council and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor.

The SDBIP can be diagrammatically presented as follows:

**Diagram 1**  
**SDBIP “contract”**



### 1.4. Components

As per MFMA Circular No. 13, National Treasury currently prefers not to prescribe other matters to be included in the SDBIP. However, there are minimum components that National Treasury requires to form part of the SDBIP, which are outlined below:-

- Monthly projections of revenue to be collected by source
- Monthly projections of expenditure and revenue by vote
- Quarterly projections of service delivery targets and performance indicators by vote
- Ward information for expenditure and service delivery
- Detailed capital budget broken down by ward over three years

## **2. Reporting Requirements**

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 days after the last working day of each month. Reporting must include the following:

### **2.1. Monthly Reporting**

- Actual revenue per source
- Actual borrowings
- Actual expenditure per vote
- Actual capital expenditure per vote
- Amount of any allocations received

## **2.2. Quarterly Reporting**

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

## **2.3. Mid-Year Reporting**

Section 72(1)(a) of the MFMA outlines the requirements for mid-year reporting. The accounting officer is required by 25 January of each year to assess the performance of the municipality during the first half of the year, taking into account the:-

- Monthly statements referred to in Section 71 for the first half of the year;
- Municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the SDBIP;
- Past year's annual report, and progress on resolving problems identified in the annual report; and
- Performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of Section 88 from any such entities.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP, which may also be modified based on the mid-year performance review.

## **3. Service Delivery Targets and Performance Indicators**

The Institutional Scorecard relies upon the directorates and their component departments to produce strong service delivery targets and performance indicators. Such targets and indicators should focus on tracking the delivery of outputs as well as outcomes that fall within the mandate of directorates and departments.

The SDBIP provides non-financial measurable performance objectives in the form of quarterly service delivery targets and other performance indicators. In this manner, Council can be judged on service delivery as well as financial performance

# SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

## HIGH-LEVEL SERVICE DELIVERY BREAKDOWN

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET	VERIFICATION (POE)	Budget	QUARTERY PROJECTIONS			
						Q1	Q2	Q3	Q4
PROVISION OF SUSTAINABLE BASIC SERVICES	Provide households with access to basic level water		100%	Quarterly Reports		100%	100%	100%	100%
	Provide households with basic level of sanitation		100%	Quarterly Reports		100%	100%	100%	100%
	Provide households with basic level of electricity		100%	Quarterly Reports		100%	100%	100%	100%
	Provide households with access to basic level of solid waste removal		100%	Quarterly Reports		100%	100%	100%	100%
AN INFRASTRUCTURE LED GROWTH PATH IN THE LOCAL ECONOMY TO ENSURE SUSTAINABLE DEVELOPMENT	Eradicate backlogs in infrastructure		100%	Quarterly Reports		100%	100%	100%	100%
	Decrease the electricity distribution losses to 15%		15%	Quarterly Reports		15%	15%	15%	15%
	Decrease water losses to 10%		10%	Quarterly Reports		10%	10%	10%	10%
	Water bulk supply Loxton		100% complete	Quarterly Reports		75%	97%	100%	
	Victoria West			Quarterly Reports					
	Waste management		1 plan	Plan		Draft plan	Finalise plan	Submit to DENC	
	Licensing of landfills - Victoria west			Quarterly Reports			Draft plan		Completed plan
	Licensing of landfills - Loxton			Quarterly Reports		1 year plan		Comments	Completed

**KPA 2: FINANCIAL VIABILITY AND MANAGEMENT**

<b>SOUND FINANCIAL VIABILITY AND MANAGEMENT</b>	Ensure accurate and timeous reporting and planning		100%	Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
	Develop a compliant budget and financial statements			Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
	Ensure effective capacity development and support in the financial statements			Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
	Establish and maintain financial systems and policies			Reports		Quarterly Report	Quarterly Report	Quarterly Report	Quarterly Report

**KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

<b>ACCEPTABLE HUMAN RESOURCE ADMINISTRATION</b>	Employment made in line with the Employment Equity Plan			Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
	Development of the municipality's workplace skills plan		1 WSP & ATR submitted to LGSETA by 30 April 2016	Reports		Quarterly training report	Quarterly training report	Quarterly training report	Quarterly training report
	% of vacancies filled		50% filled	Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
<b>SOUND LABOUR RELATIONS</b>	Dispute Resolution		3 Dispute resolved	Reports		Quarterly report	Quarterly report	Quarterly report	Quarterly report
	Local Labour Forum sitting		4 LLF sitting	4 Minutes of meetings		Minutes	Minutes	Minutes	Minutes
<b>ADMINISTRATIVE POLICIES</b>	Policy review		3	Reviewed Policies			Review process report	Adoption of the reviewed policies	



#### KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PUTTING PEOPLE FIRST AND ENGAGING WITH COMMUNITIES	Number of community ward meetings held by Councillors		4	Reports		Quarterl y reports	Quarterl y reports	Quarterl y reports	Quarterl y reports
	Functional governance structures		4 functional ward committees	Reports			Establish ment of Ward committ ees	Function al ward committ ees in place	Function al ward committ ees in place

#### KPA 5: LOCAL ECONOMIC DEVELOPMENT

JOB CREATION	Number of jobs created through the municipality's local economic development initiatives including capital projects		100 jobs created	Reports		Quarterl y report	Quarterl y report	Quarterl y report	Quarterl y report
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#### 4. Revenue and Expenditure Projections

The SDBIP provides for departments to monitor and remedy their financial performance and, as such, to take responsibility for not only expenditure, but also revenue collected.

In this section the following financial information is provided to assist in monitoring the municipality's financial performance:-

- Monthly projections of revenue to be collected.
- Monthly projections of revenue and expenditure by vote.
- Monthly projections of revenue to be collected by source

Monthly projections of revenue to be collected	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total for 2015/16
Property rates	594	1783	297	297	416	238	178	713	178	357	475	416	5942
Property rates - penalties & collection charges													-
Service charges - electricity revenue	971	2914	486	680	486	388	291	1165	291	583	777	680	9712
Service charges - water revenue	315	631	1892	315	442	252	186	757	189	378	505	442	6308
Service chargers - sanitation revenue	169	506	84	84	118	67	51	202	51	101	135	118	1 685
Service charges - revenue	158	181	136	68	271	68	90	158	113	113	678	226	2 261
Service charges - other													-
Rental of facilities and equipment	39	117	20	20	27	16	12	47	12	23	31	27	391
Interest earned - external investments	15	17	13	6	26	6	9	15	11	11	65	22	215
Interest earned - outstanding debtors	250	750	125	125	175	100	75	300	75	150	200	175	2 500

Dividends received													-
Fines	3 853	4 404	3303	1 651	6 605	1 651	2 202	3 853	2 752	2 752	16 513	5 504	55 044
Licence and permits	89	266	44	44	62	36	27	107	27	53	71	62	888
Agency services												4	4
Transfers recognised - operating	2 119	2 422	1817	908	3 633	908	1 211	2 119	1 514	1 514	9 083	3 028	30 278
Other revenue	73	218	36	36	51	29	22	87	22	44	58	51	727
Gains on disposal of PPE													-
Total Revenue (excluding capital transfers and contributions)	8 646	14 208	8 253	4 236	12312	3 760	4 357	9 524	5 235	6 079	28 592	10 755	115 956
Expenditure By Type													-
Employee related cost	2 833	1 417	1417	1 983	1 133	850	3 400	850	8 499	1 700	2 266	1 983	28 331
Remuneration of councillors	268	803	134	134	187	107	80	321	80	161	214	187	
Debt impairment	4 375	13 125	2 188	2 188	3 063	1 750	1 313	5 250	1 313	3 625	3 500	3063	43 750
Depreciation & asset impairment	612	1 835	306	428	245	183	734	245	183	367	489	428	6 116
Finance chargers	96	110	82	41	165	41	55	96	69	69	412	137	1 373
Bulk purchases	1 577	4 730	788	788	1 104	631	473	1 892	473	946	1 261	1 104	15 768
Other materials	70	80	60	30	120	30	40	70	50	50	300	100	1 000
Contracted services	900	2 700	450	450	630	360	270	1 080	270	540	720	630	9 000
Transfers and grants	98	293	49	49	68	39	29	117	29	59	78	68	977
Other expenditure	741	847	635	317	1 270	317	423	741	529	529	3 175	1 058	10 582
Loss on disposal of PPE													-
<b>Total Expenditure</b>	<b>11 569</b>	<b>25 938</b>	<b>6 108</b>	<b>6 286</b>	<b>8 168</b>	<b>4 370</b>	<b>6 267</b>	<b>11 496</b>	<b>7 045</b>	<b>12 416</b>	<b>12 416</b>	<b>8 759</b>	<b>119 573</b>
Transfers recognised - capital												(3 617)	( 3 617)
Contributions recognised - capital												11 791	11 791
Contributed assets													-
Surplus/(Deficit) after capital transfers &												8 174	-

Contributions Taxation													8 174 -
Surplus/(Deficit) after taxation													-
Attributable to minorities													-
Surplus/(Deficit) attributable to municipality													-
Share of surplus/ (deficit) of associate													-
Surplus/(Deficit) for the year												8 174	8 174

- Revenue by source amount is in millions

▪ Monthly projections of expenditure and revenue by vote

Description													Total for 2015/16
R'000	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
<b>Revenue By Source</b>													
Property rates												5 942	5 942
Property rates - penalties & collection charges												-	-
Service charges - electricity revenue												9 712	9 712
Service charges - water revenue												6 308	6 308
Service charges - sanitation revenue												1 686	1 686
Service charges - refuse revenue												2 261	2 261
Service charges - other												-	-
Rental of facilities and equipment												391	391
Interest earned - external investments												215	215
Interest earned -outstanding debtors												2 500	2 500
Dividends received												-	-
Fines												55 044	55 044
Licences and permits												888	888
Agency services												4	4
Transfers recognised - operational												30 278	30 278
Other revenue												727	727
Gains on disposal of PPE												-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>	-	-	-	-	-	-	-	-	-	-	-	115 956	115 956

Expenditure By Type														
Employee related cost													28 331	28 331
Remuneration of councillors													2 676	2 676
Debt impairment													43 750	43 750
Depreciation & asset impairment													6 116	6 116
Finance charges													1 373	1 373
Bulk purchases													15 768	15 768
Other materials													1 000	1 000
Contracted service													9 000	9 000
Transfer and Grants													977	977
Other expenditure													10 582	10 582
Loss on disposal of PPE													-	-
<b>Total Expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-	119 573	119 573
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	(3 617)	(3 617)
Transfers recognised													11 791	11 791
Contributions recognised - capital													-	-
Contributed assets													-	-
Surplus/(Deficit after capital transfers & contributions	-	-	-	-	-	-	-	-	-	-	-	-	8 174	8 174
Taxation													-	-
Attributable to minorities													-	-
Share of surplus/ (deficit) of associate													-	-
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	8 174	8 174
Total revenue by vote														

Expenditure by vote to be appropriate

	July	Aug	Sept	Oct	Nov	Des	Jan	Feb	March	Apr	May	June	Total
Revenue - Standard													
Governance and administration	3751100	11253300	1875550	1875550	2625770	1127770	1498000	4501320	2243340	2623330	3000880	1135090	3751100
Executive and council	24400	73200	12200	12200	17080	9760	7320	29280	7320	14640	19520	17080	244000
Budget and treasury office	3726700	11180100	1863350	183350	2608690	1118010	1490680	4472040	2236020	2608690	2981360	1118010	37267000
Corporate Service													0
Community and public safety	5743200	17220600	2870100	4018140	1720260	2293680	6881040	3440520	4587360	4013940	4587360	1722060	57405000
Sport and recreation	3000												3000
Public safety	6000	18000	3000	3000	4200	1800	2400	7200	3600	4200	4800	1800	6000
Housing													0
Health													0
Economic and environmental services	1083900	3251700	541950	541950	758730	325170	433560	1300680	650340	758730	867120	325170	10839000
Planning and develop	1083900	3251700	541950	541950	758730	325170	433560	1300680	650340	758730	867120	325170	1083900

ment													
Road Transpor t												659730	21991000
Environ mental protectio n												940800	11760000
<b>Trading services</b>	<b>2199100</b>	<b>6597300</b>	<b>1099550</b>	<b>1099550</b>	<b>1539370</b>	<b>659730</b>	<b>879640</b>	<b>2638920</b>	<b>1319460</b>	<b>1539370</b>	<b>1759280</b>	189300	6310000
Electricit y	1176000	3528000	588000	588000	823200	352800	470400	1411200	705600	823200	940800	50610	1687000
Water	631000	1893000	315500	315500	441700	189300	252400	757200	378600	441700	504800	18300	6310000
Waste water manage ment	168700	506100	84350	84350	118090	50610	67480	202440	101220	118090	134960	50610	1687000
Waste manage ment	223400	670200	111700	111700	156380	67020	89360	134040	156380	178720	67020	67020	2234000
Other													0
<b>Total Revenu e - Standar d</b>													127746000
Expendit ure - Standard													0
Governa nce and administr ation	2657000	7971000	1328500	1328500	1859900	797100	1062800	3188400	1594200	1859900	2125600	797100	2657000
Executiv e and council	611500	1834500	305750	305750	428050	183450	244600	733800	366900	428050	489200	183450	6115000
Budget and treasury office	2045500	6136500	1022750	1022750	1431850	613650	818200	2454600	1227300	1431850	1636400	613650	20455000
Corporat													0



e service													
Community and public safety	5649600	16906800	2817800	2817800	3944920	1690680	2254240	6762720	3381360	3944920	1690680	1690680	56370000
Community and social services	5635600	16906800	2817800	2817800	3944920	1690680	2254240	6762720	3381360	3944920	1690680	1690680	56356000
Sport and recreation													0
Public safety	14000												1400
Health													0
Economic and environmental services	863800	2591400	431900	604660	259140	345520	1036560	518280	604660	691040	691040	259140	8638000
Planning and development	863800	2591400	2591400	431900	604660	259140	1036560	51280	604660	691040	691040	259140	8638000
Road transport													0
Environmental protection													0
Trading service	2799400	8398200	1399700	1399700	1959580	839820	1119760	3359280	11679640	1959580	2239520	839820	279994000
Electricity	1713700	5141100	856850	856850	1199590	514110	685480	2056440	1028220	1199590	1370960	514110	17137000
Water	352500	1057500	176250	076250	246750	105750	141000	423000	211500	246750	282000	105750	35250000
Waste water management	417600	1252800	208800	208800	292320	125280	167040	501120	250560	292320	334080	125280	41760000
Waste manage	315600	946800	157800	157800	220920	94680	126240	378720	189360	220920	25480	94680	31560000

ment													
Other													0
<b>Total Expendi ture - Standar d</b>													<b>119572000</b>
<b>Surplus/ (Deficit) before assoc.</b>													<b>8174000</b>
<b>Surplus</b>													<b>8174000</b>

## 5. Conclusion

The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the council to monitor the performance of the municipality against quarterly targets on service delivery.

**Submitted by the Accounting Officer**

**MS. K. BALEBI** \_\_\_\_\_

**DATE** \_\_\_\_\_

**APPROVED BY THE MAYOR**

**COUNCILLOR K.J ARENS** \_\_\_\_\_ **DATE** \_\_\_\_\_

## CONTACT DETAILS

NAME : UBUNTU LOCAL MUNICIPALITY

CONTACT DETAILS (ADRESS) : MIRRIAN MKOTWANA

VICTORIA WEST

7070

MAYOR (SPEAKER) : CLLR. K.J ARENS

ACTING MUNICIPAL MANAGER : MS. K. BALEBI

WEBSITE : [www.ubuntu.gov.za](http://www.ubuntu.gov.za)

CONTACT DETAILS :

FAX NUMBER :

POSTAL ADDRESS :

PHYSICAL ADDRESS :